

E-RATE VENDOR GIFTS, DONATIONS, AND GRANTS PROCEDURES

Issued by: Office of Federal and State Regulatory Compliance
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This document is intended to remind all New York City Department of Education (“NYC DOE”) offices and employees of the need to comply with the requirements of the “E-rate Program” regarding gifts and donations offered by vendors eligible to provide products and/or services under the E-rate Program (“E-rate Vendor”). An E-rate Vendor is an entity that is providing, or seeking to provide, to NYC DOE, products or services related to technology or telecommunications. A list of NYC DOE E-rate Vendors appears at the end of this document. Specifically, this document sets forth:

- The NYC DOE’s rules regarding restrictions on:
 - Gifts offered by E-rate Vendors to NYC DOE employees individually or collectively, for their personal benefit rather than for the benefit of NYC DOE as a whole (“Gifts to Individuals”), and
 - Gifts, donations, and grants offered by E-rate Vendors for the intended benefit of NYC DOE as a whole, or for the benefit of a NYC DOE office or school (“Donations to NYC DOE”), and
- The procedures to be followed by NYC DOE employees in the event that an E-rate Vendor either:
 - Offers or delivers a Gift to Individuals, or
 - Offers or delivers a Donation to NYC DOE.

Background

The Schools and Libraries Universal Service Program (more commonly known as the E-rate Program) was established by Congress as part of the Telecommunications Act of 1996, and provides funding for schools and libraries to help them obtain affordable telecommunications and Internet access. The E-rate program is administered by the Universal Service Administrative Company (“USAC”), under the oversight of the Federal Communications Commission (“FCC”).

The E-rate Program provides support to schools and libraries by giving these entities discounts for products and services relating to technology and telecommunications services such as internet service, wired/wireless telephone service, information technology equipment, and installation and maintenance of information technology. Program funding offsets the cost of services and equipment by reimbursing a percentage of the total E-rate eligible cost.

An E-rate Vendor or eligible vendor is an individual or organization, including its subsidiaries, resellers, officers, consultants, independent contractors, employees, board members, and representatives, providing or seeking to provide products or services to NYC DOE that are eligible for reimbursement under the E-rate Program.

Gifts and Donations Definition

Gifts and donations can be in the form of perishable items, products, services, money, or anything of value. A gift or donation can also include an offer to attend a seminar free of charge, or at a reduced price, that would not otherwise be available to the general public.

Gifts to Individuals

Gifts to Individuals of any value offered to NYC DOE employees by E-rate Vendors, including perishable or non-perishable items and holiday gifts, may not be accepted.¹ In some cases, a gift to an individual may actually be a gift for the benefit of the NYC DOE, such as a training course. NYC DOE employees who are offered a Gift to Individuals or to whom a Gift to Individuals has been delivered should follow the procedure set forth below:

1. If an E-rate Vendor or a technology/telecommunications vendor offers or delivers a Gift to Individuals to any NYC DOE employee, that employee should immediately contact the E-rate Compliance Officer (“ERCO”), the Office of Federal and State Regulatory Compliance (“OFSRC”), or the NYC DOE Ethics Officer for guidance on how to proceed.
2. If it is determined that the gift is a Gift to an Individual, it may not be accepted. If the gift has been received, it must be returned.

Donations to NYC DOE

The E-rate Program gift rules limit a participating school district’s (known as an applicant) ability to solicit and accept gifts or donations from E-rate eligible vendors. Charitable donations may be accepted if they are not directly or indirectly related to an E-rate procurement and are not intended to circumvent the competitive bidding process or any other FCC rule.

The gift rules apply throughout the entire year, not only during the competitive bidding process, but are not intended to discourage charitable donations to E-rate applicants. However, acceptance of a gift, donation, or grant, in violation of E-rate Program rules, can result in loss of E-rate funding.

Because the E-rate Program limits the circumstances in which NYC DOE offices and schools may accept gifts and donations from E-rate Vendors, the procedures set forth below are designed to ensure that such offers from E-rate Vendors are reviewed by those most knowledgeable of the applicable rules. NYC DOE offices and schools, through whom a vendor has offered a Donation to NYC DOE, should follow the procedures set forth below to ensure that no violation of E-rate Program rules occurs.

In the event that any NYC DOE employee receives an offer of a Donation to NYC DOE from an E-rate Vendor, the proposed recipient:

¹ While the E-rate program rules permit “de minimis” gifts (i.e., gifts worth less than \$20 such as pens, pencils, T-shirts, meals) to be accepted, NYC DOE has determined that no Gifts to Individuals from E-rate Vendors should be accepted to avoid any question about whether a gift is de minimis or any appearance of a conflict.

1. Must consult the E-rate Vendor list on the [DOE InfoHub](#) to determine if the vendor is an E-rate Vendor. If the vendor is not listed on the E-rate Vendor list, the school or office should contact [OFSRC](#) to determine if the vendor is a potential E-rate Vendor.² The list of E-rate Vendors may change from time to time and should be reviewed for updates.
2. If the proposed donor is an E-rate Vendor or potential E-rate Vendor, the school or office must submit information on the proposed gift, donation, or grant to OFSRC via email for review and approval.
3. The E-rate Compliance Officer, or designee, will provide a written response whether acceptance of the offer would violate E-rate Program gift rules. If it is determined that acceptance of the offer would violate E-rate Program gift rules, the gift, donation, or grant may not be accepted or retained.
4. NYC DOE offices and schools must maintain copies of all records pertaining to E-rate gifts, donations, and grants for a minimum period of ten (10) years from the last day of the given fiscal year. These records may include but are not limited to:
 - Gift, donation, or grant proposal and/or solicitation, including any terms and conditions (*where applicable*)
 - Donor letter
 - Donation acknowledgement letter from office or school (*where applicable*)
 - Copy of donor check(s) submitted and/or supporting documentation for the value of the gift, donation, or grant
 - Written response from OFSRC whether the gift, donation or grant may be accepted or retained

Record Keeping

OFSRC will retain the documentation submitted in support of a gift, donation or grant, as well as any communication with respect to the offering. A separate record of activities with respect to Gifts to Individuals must be maintained by OFSRC.

² A vendor may be considered a potential E-rate Vendor if there is a pending solicitation to which the vendor has responded or could be anticipated to respond.

**E-RATE SERVICE PROVIDERS, CONSULTANTS, AND FIRMS DOING BUSINESS WITH
NYC DOE RELATED TO THE E-RATE PROGRAM**

As of October 2021

E-rate Vendors:³

- AT&T Corp.
- AT&T Wireless Inc. d/b/a AT&T Mobility LLC
- ASI System Integration, Inc.
- Crown Castle
- Dell Marketing L.P.
- Granite Telecommunications, LLC
- International Business Machines Corporation (“IBM”)
- Lighttower Fiber Networks II, LLC
- Manhattan Telecommunications Corp. d/b/a Metropolitan Telecommunications (“MetTel”)
- NTT Data
- Presidio Networked Solutions, Inc.
- Sprint Communications Company L.P.
- T-Mobile USA, Inc.
- TW Telecom Holdings, Inc.
- Verizon Business Network Services, Inc.
- Zayo Group, LLC
- Subcontractors to current prime E-rate Vendors:
 - Champion Alarms Systems
 - Custom Computer Specialist
 - TKM Serve LLC
 - Washington Computer Services
 - Interface Cable Assemblies and Services Corp. (ICAS)
 - DataComm Consulting Group
 - Creative Cabling Solutions, Inc.
 - NCD Communications, Inc.
 - Airtek Environmental Corp.
 - Athenica Environmental Services, Inc.
 - 2Com Group, LLC
 - 58A JVD Industries Ltd.

³ These vendors include vendors for which applications for prior funding years are still pending or in process, or which have been approved and the DOE is awaiting reimbursement. It also includes subcontractors to E-rate eligible contracts.



- o Vorcom Internet Services
- o FusionTech Communications, LLC
- o G-Systems, Inc.
- o ComNet Communications, LLC

Other Vendors:⁴

- eRate 360 Solutions, LLC
- Funds for Learning, LLC

⁴ While these Vendors do not provide services that are eligible for reimbursement under the E-rate program, they provide goods and/or services that support the NYC DOE's participation in the E-rate program.